

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company

LIC Components Limited

Company number

03338448

In the
High Court Birmingham District Registry

[full name of court]

Court case number

8735 of 2009

We

Andrew Stephen McGill
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GHMark Jeremy Orton
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Administrators of the above company attach a progress report for the period

from

2 December 2010

to

24 May 2011

Signed

Joint Administrators

Dated

24 May 2011

Contact Details.

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Margarita Larraga Bielsa

KPMG LLP

One Snowhill

Snow Hill Queensway

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B4 6GH

DX Number DX 709850 Birmingham 26

Tel

DX Exchange

When you have completed and signed this form, please send it to the Registrar of Companies at:-

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

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**LIC Components Limited -
in Administration**

Final Report to Creditors
Pursuant to Rule 2.47 and 2.110 of the
Insolvency (Amendment) Rules 2003
24 May 2011

KPMG LLP Restructuring
awg/sn/1M/002

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1 Glossary

Joint Administrators	Mark Jeremy Oton and Andy Stephen McGill of KPMG LLP
LIC / the Company	LIC Components Limited – in administration (Company registered number 03338448)
The Act	The Insolvency Act 1986
The Rules	The Insolvency (Amendment) Rules 2003

2 Introduction

At the request of the Company, acting by its directors, Mark Jeremy Oton and Andrew Stephen McGill of KPMG LLP were appointed Joint Administrators of LIC Components Limited in administration on 2 December 2009 in the High Court of Justice, Chancery Division, Birmingham District Registry. The Court case number is 8735 of 2009.

In accordance with Rule 2.112 of the Insolvency (Amendment) Rules 2003, we are writing to provide an update on the progress of the Administration from 2 December 2010 to 24 May 2011.

An abstract receipts and payments account for the period is attached at Appendix 3. Other information required by Rule 2.112 of the Insolvency (Amendment) Rules 2003 is attached at Appendix 1 together with a schedule of Administrators' time costs to date at Appendix 2.

In accordance with Paragraph 100(2) of Schedule B1 of the Insolvency Act 1986, the functions of the Joint Administrators can be exercised by either of the Joint Administrators.

3 Joint Administrators' Proposals

As previously advised in accordance with Paragraph 52(1) of Schedule B1 of the Insolvency Act 1986, the Joint Administrators dispensed with the requirement to summon an initial meeting of creditors under Paragraph 51 of Schedule B1 as the Company has insufficient property to enable a distribution to be made to unsecured creditors other than by virtue of section 176A(2)(a) of the Insolvency Act 1986, the prescribed part.

The Joint Administrators are duty bound to summon an initial creditors' meeting if requested by creditors of the Company whose debts amount to at least 10% of the total debts of the Company in the prescribed manner and within the prescribed period under Paragraph 52(2) of Schedule B1 of the Insolvency Act 1986. Under Rule 2.37 of the Insolvency Rules 1986, this request must be made using Form 2.21B and be made within 12 days of the date on which these proposals are sent out.

No meeting of creditors was requisitioned in accordance with the above. Therefore the Administrators' proposals were deemed to have been approved by the creditors pursuant to Rule 2.33(5) of the Insolvency Rules 1986.

4 Purpose and Progress of Administration

4.1 Purpose of the administration

The Joint Administrators have performed their functions with the Paragraph 3(1)(b) objective of achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in administration).

4.2 Progress of the administration

4.2.1 Trading

As detailed in our previous report to creditors, the Company continued to trade under the control of the Joint Administrators whilst sale options were explored with a view to maximising realisations to creditors of the Company. Unfortunately a going concern sale of the business was not achieved and the sale of LIC Components' fixed assets took place on 14 January 2010. The Company finished trading shortly thereafter on 29 January 2010.

The collection of trading debts is now complete. Total realisations in this respect amount to £379,852.

The payment of the trading expenditure is now also complete.

The Joint Administrators' trading period has generated a trading surplus of approximately £203,000 before Joint Administrators' time costs.

4.2.2 Sale of business

As mentioned above and confirmed in our previous report to creditors, the sale of LIC Components' fixed assets (primarily plant & machinery) to a Group company, Currie and Warner Limited was achieved on 14 January 2009 for a cash consideration in the sum of £152,500 plus VAT, being the highest offer received for those assets. The Joint Administrators were advised to accept this offer by the independent valuers GVA Grimley LLP. A license to occupy the Company trading premises was also granted to Currie and Warner for the period from 22 January 2010 to 31 March 2010 solely to allow for the orderly removal of the assets.

The consideration was allocated as follows

Asset	Consideration £
Plant & machinery	149,000
Furniture and equipment	1,100
Motor Vehicles	2,400
Total	152,500

4.2.3 Debtors

As previously reported to creditors the sales ledger at appointment stood at approximately £315,058. Total realisations achieved in this respect amount to £293,074. The remainder of the ledger was written off due to the settlement of several credit and debit notes.

4.2.4 Administrators' Time Costs

KPMG LLP time costs since the Joint Administrators' appointment to 24 May 2011 are £382,438 representing 1,381 hours at an average rate of £277 per hour. In the period from 2 December 2010 to 24 May 2011 we incurred time costs of £17,115 representing 55 hours at an average rate of £311 per hour. Key areas where costs have been incurred are as follows:

- Monitoring and progressing debtor collections,
- Monitoring and progressing trading sales collections
- Dealing with the tax affairs of the Company
- Dealing with creditor queries, and
- Attending to all statutory duties that are associated with this type of insolvency

In accordance with Rule 2.106(5A) of the Insolvency Rules 1986 as the Joint Administrators made a statement under paragraph 52(1)(b) of the Insolvency Act 1986 fees were fixed by the approval of the secured creditor, Glenson Holdings Ltd and the preferential creditors. Approval from both classes of creditors was obtained and therefore the Joint Administrators have drawn £172,366 (plus disbursements and VAT) in respect of fees to date. We can confirm that there will be no further fees drawn.

5 Funds available to creditors

5.1 Secured creditors

As explained in our previous report, Glenson (Holdings) Limited holds a fixed and floating charge debenture over the Company's assets created on 9 May 1997.

As at the date of our appointment the indebtedness of the Company under this debenture was £374,896.

As mentioned in our previous report on 16 September 2010, Glenson was paid in full from fixed and floating charge realisations attributable to the sale of the Company's assets and the collection of book debts. Statutory interest was also paid to Glenson in the sum of £7,010 according to the terms of the charge.

5.2 Preferential creditors

The preferential claims are made up of holiday pay, accrued wages and salaries and subrogated wage claims.

A distribution of 100p in the £ was made to the Company's preferential creditors on 21 October 2010.

5.3 Unsecured creditors

Unfortunately, there were no surplus funds to enable the Joint Administrators to make a distribution to this class of creditor.

5.4 Prescribed Part estimate

In accordance with Section 176A(2) of the Insolvency Act 1986, as added by the Enterprise Act 2002, the Joint Administrators are required to set aside a prescribed part of the Company's net property for the benefit of unsecured creditors that would otherwise be available to the secured floating charge holder, unless the charge in respect of which the security arises pre-dates 15 September 2003. However, as the fixed and floating charge was created in 1997, the prescribed part does not apply.

6 Other matters

EC regulations will apply and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulations. The centre of main interest of the Company is in England within the EC.

7 Closure of the Administration

As there are no assets remaining in the Company which would enable further realisations for the benefit of creditors, the Joint Administrators have sent the appropriate notice to the Registrar of Companies that will move the Company into dissolution in accordance with Paragraph 84 of Schedule B1 of the Insolvency Act 1986. Upon registration of this notice, the appointment of the Joint Administrators will cease to have effect and three months thereafter, the Company will be dissolved.

This concludes the Joint Administrators' report to creditors in accordance to Rule 2.47 and Rule 2.110 of the Insolvency (Amendment) Rules 2003. Should you require any further information please contact Margarita Larraga on 0121 335 2515.



Andy McGill
Joint Administrator

The affairs, business and property of the company are being managed by the joint administrators.

Andy McGill is authorised to act as an insolvency practitioner by the Institute of Chartered Accountants of England & Wales.

Mark Orton is authorised to act as an insolvency practitioner by the Insolvency Practitioners' Association.

Appendix 1

Statutory information – LIC Components Limited

Date of incorporation	24 March 1997
Company registration number	03338448
Trading names	LIC Components Limited
Present registered office	One Snowhill, Snow Hill Queensway Birmingham B4 6GH
Previous registered office	Summer Hill Works, Powell Street Birmingham B1 3DH
Trading addresses	Cummers Close, Canley Coventry CV4 8AW
Directors' shareholdings	NA
Directors	Martyn Ian Lloyd Keith Sedgebear
Company secretary	Matthew Spencer Lloyd



Final Report to Creditors
KPMG LLP
24 May 2011

Appendix 2

Time Cost Analysis for the period 2 December 2010 to 24 May 2011

	Partner / Director	Manager	Administrator	Support	Total hours	Time cost	Average hourly rate
Administration & planning							
Cashiering							
General (Cashiering)	0.30		3.60	0.30	4.20	£913.50	£217.50
Reconciliations (& IPS accounting reviews)			0.35		0.35	£84.00	£240.00
General							
Fees and WIP		0.20	1.48		1.68	£440.20	£262.00
Statutory and compliance							
Checklist & reviews	0.10	2.00	2.00		4.10	£1,383.50	£337.40
Closure and related formalities		7.50	8.00		15.50	£5,107.50	£329.50
Reports to debenture holders	3.00				3.00	£1,380.00	£460.00
Strategy documents			1.00		1.00	£240.00	£240.00
Tax							
Post appointment corporation tax		0.70	5.95		6.65	£1,669.50	£251.00
Post appointment VAT		1.90	5.25		7.15	£1,883.00	£263.30
Creditors							
Committees							
Reports	1.50				1.50	£690.00	£460.00
Creditors and claims							
General correspondence	2.00	0.30	1.10	0.20	3.60	£1,309.50	£363.70
Pre appointment VAT / PAYE / CT		0.10			0.10	£34.50	£345.00
Statutory reports	0.50	2.00	0.50		3.00	£1,200.00	£400.00
Realisation of assets							
Asset Realisation							
Debtors			0.25		0.25	£60.00	£240.00
Leasehold property			0.50		0.50	£120.00	£240.00
Pre appointment VAT / PAYE / CT			2.50		2.50	£600.00	£240.00
Total in period					55.08	£17,115.20	£310.70

Schedule of KPMG LLP charge out rates for Restructuring and other partners and staff who may be used on this case

	Administrator	Senior Administrator	Manager	Senior Manager	Director	Partner
2009/2010	165	225	320	405	440	515
2010/2011	175	240	345	425	460	535



Fund Report to Creditors
KPMG LLP
24 May 2011

Appendix 3

Receipts and payments from 2 December 2010 to 24 May 2011

LIC Components Limited
(In Administration)
Administrators' Trading Account

Statement of Affairs	From 02/12/2010 To 24/05/2011	From 02/12/2009 To 24/05/2011
POST-APPOINTMENT SALES		
Sales	NIL	366 206 71
Scrap Sales	NIL	13 645 69
Rent Receivable	NIL	21 166 66
Interest Charged on Administrators Sales	NIL	337 44
	NIL	401,356 50
PURCHASES		
Purchases	NIL	14 939 53
Retention of Title Claims	NIL	10,328 21
	NIL	(25,267 74)
OTHER DIRECT COSTS		
Direct labour	NIL	61,754 42
Sub contractors	NIL	8,705 05
Consumable stores	NIL	2,269 54
Employee deductions and pension	NIL	4,758 61
	NIL	(77 487 62)
TRADING EXPENSES		
Rent	NIL	31,749 99
Rates	NIL	11,031 04
Water rates	NIL	1,806 87
Heat & light	NIL	21,627 46
Telephone/Telex/Fax	NIL	1,406 04
Carriage	NIL	1,854 36
Insurance	143 33	3,916 63
Bank charges & interest	NIL	6 00
HP/Leasing payments	NIL	731 00
Repairs and maintenance	1,270 00	7,212 50
Sundry expenses	NIL	530 44
Vehicle running costs	NIL	363 97
Management Charges	NIL	13 075 00
	(1 413 33)	(95,311 30)
TRADING SURPLUS/(DEFICIT)	(1,413 33)	203,289 84

LIC Components Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs		From 02/12/2010 To 24/05/2011	From 02/12/2009 To 24/05/2011
	FIXED CHARGE ASSETS		
194 570 00	Plant & machinery	NIL	NIL
1 420 00	Fixtures & Fittings	NIL	NIL
2 500 00	Motor Vehicles	NIL	NIL
13 032 00	Bank Balance	NIL	NIL
161 00	Property rights Patents	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	FIXED CHARGE CREDITORS		
(374 896 00)	Fixed charge creditor	NIL	NIL
		<u>NIL</u>	<u>NIL</u>
	ASSET REALISATIONS		
	Plant & machinery	NIL	149,000 00
	Furniture & equipment	NIL	1,100 00
	Motor vehicles	NIL	2,400 00
100,000 00	Stock and work in progress	NIL	NIL
292,000 00	Book debts	NIL	293,073 64
12,396 00	Prepayments and Accrued Income	NIL	NIL
8 630 00	Tax refunds (pre-app'ent)	NIL	NIL
17,239 00	VAT refunds (pre-app'ent)	7,630 36	7 630 36
	Cash at bank	NIL	13,031 62
	Petty Cash	NIL	88 71
16 00	Other Debtors	NIL	NIL
	Taxable losses realisations	NIL	12,000 00
		<u>7 630 36</u>	<u>138,224 32</u>
	OTHER REALISATIONS		
	Bank interest, gross	NIL	94 29
	Trading Surplus/(Deficit)	(1 413 33)	203,289 84
	Sundry Receipts	NIL	16 47
		<u>(1,413 33)</u>	<u>203,400 60</u>
	COST OF REALISATIONS		
	Administrators' fees	22,366 13	174,626 13
	Irrecoverable VAT	4,473 22	4,473 22
	Agents'/Valuers' fees	NIL	3 022 00
	Legal fees	5 750 00	17 294 06
	Professional Fees	NIL	10 039 65
	Storage costs	1,205 30	4 406 26
	Re-direction of mail	NIL	26 00
	Statutory advertising	NIL	163 35
	PAYE & NIC	NIL	16 605 83
	Bank charges	116 23	484 18
	Management Charges	NIL	18 975 00
		<u>(33 910 88)</u>	<u>(250,115 68)</u>
	PREFERENTIAL CREDITORS		
	Subrogated EP(C)A claim	NIL	20 172 26
	Employees' wage arrears	NIL	29 531 12
		<u>NIL</u>	<u>(49 703 38)</u>

LIC Components Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 02/12/2010 To 24/05/2011	From 02/12/2009 To 24/05/2011
FLOATING CHARGE CREDITORS		
Floating charge holder	NIL	381,905.87
	NIL	(381,905.87)
UNSECURED CREDITORS		
(212,536.00) Trade & expense	NIL	NIL
(41,842.00) Accruals	NIL	NIL
(17,795.00) PAYE/NI	NIL	NIL
(2,108.00) Pension Deductions	NIL	NIL
(371.00) Other Creditors	NIL	NIL
	NIL	NIL
DISTRIBUTIONS		
(10,000.00) Ordinary shareholders	NIL	NIL
	NIL	NIL
(17,584.00)	(27,693.85)	(0.00)
REPRESENTED BY		
Floating ch VAT rec'able		47,689.79
Floating ch VAT payable		(60,274.98)
Floating ch VAT control		12,585.19
		(0.00)